

Warren, Ohio – U.S. Congressman Tim Ryan (OH-17) was joined by Senator Sherrod Brown (D-OH) and Congressman Charlie Wilson (OH-6) in seeking federal assistance for Forum Health as it navigates bankruptcy proceedings. In a letter addressed to President Obama, members of the Senate and House leadership, and the Treasury Department, the Members outlined the importance of Forum Health to the regional economy and the importance of federal intervention in this critical community issue.

“We are very concerned about the potential impact that closing any of the Forum Health facilities would have on community access to health care and on our local economy,” said Congressman Ryan.

“I have been working very closely with local, state, and federal officials to explore every option that is available to assist Forum in emerging successfully from bankruptcy. Anything else would be devastating to our community.

”

Senator Brown added, **“Forum health is a community asset – one that delivers quality health care and provides good paying jobs – and we must continue to fight for its future. Federal action can help preserve a crucial local resource that is part of the fabric of our national public health system.”**

“I look forward to working with my colleagues and the President on Forum Health’s recovery,” stated Congressman Wilson. **“Federal loan guarantees would help secure the future of Forum Health, and would be a crucial investment in both the long-term economic stability and physical wellbeing of the residents of the Mahoning Valley.”**

The text of the letter is attached below.

#

December 7, 2009

President Barack Obama

The White House

1600 Pennsylvania Ave.

Washington, DC 20500

Re: Forum Health, Youngstown, Ohio

Dear Mr. President:

As federal representatives for the Youngstown, Ohio region, we are requesting your assistance with a situation involving a local hospital system. Forum Health is a not-for-profit healthcare system that generates approximately \$400 million in annual revenues with facilities in both Mahoning and Trumbull counties. Northside Medical Center is the largest employer in the city of Youngstown and a significant contributor to the local tax base. In total, the system employs approximately 3,400 employees at its facilities throughout the region, including Northside Medical Center, Austintown Ambulatory, Trumbull Memorial Hospital in Warren and Hillside Rehabilitation Hospital in Howland.

Earlier this year, Forum Health filed for bankruptcy protection. Recent shifts in the medical industry, as well as the economic recession which has resulted in the loss of health insurance for thousands of Valley residents, has further eroded the institution's economic position. Currently, the company is \$133 million in debt to secured creditors with estimated pension liabilities of around \$100 million. There is currently a set aside of \$43.2 million in the debt reserve fund. In the bankruptcy proceeding at this time, there are three viable bidders for the entire system plus one bidder interested only in the Hillside Rehabilitation Hospital facility. We are concerned that the creditors will opt to dismantle the system and liquidate the assets, resulting in thousands of employees losing their jobs in a community that already has a 12.5 percent unemployment rate.

We are particularly concerned about how the closing of any of the Forum facilities would impact health care locally, as well as the economic effect of such a closing. As the largest employer in the area, not only is Forum a crucial source of health care; it also has a significant impact on our local economy. An employer of Forum's size not only affects its own employees directly, but also its retirees and the thousands of other workers and businesses that offer the products and services within its supply chain.

While the local community is very supportive of Forum Health and their efforts to emerge from bankruptcy, the overall level of economic distress in the community has restricted its ability to assist in any meaningful way. Without the intervention of the federal government with a loan guarantee program or some other form of assistance, we believe that the system is in jeopardy of closing, resulting in a devastating loss of jobs and health care services.

We would ask for every possible consideration by the Administration to identify a program to assist with this situation. We are aware of a US Department of Agriculture program for rural communities that could serve as a model for distressed urban healthcare systems. We look forward to hearing from you on this critical community issue.

Thank you in advance for any assistance you can offer to our constituents.

Sherrod Brown	Tim Ryan	Charlie Wilson
U. S. Senator	Member of Congress	Member of Congress

C: Senate Majority Leader Harry Reid

Speaker Nancy Pelosi

Secretary Tim Geithner

Secretary Kathleen Sebelius